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be not more than 25 percent of its formula allotment described in §2501.7(b)(2) of this part, provided that appropriated funds are available, or, if §2501.7(a) of this part applies, in an amount determined by the Commission to be sufficient to conduct the proposed activities. States are encouraged to use planning grants to assist potential local applicants plan Serve-America programs.

§2501.11 Term of grant.

- (a) Grants to States and Indian Tribes, other than planning grants, shall be for a term of not more than three years, subject to annual appropriations.
- (b) Grants made directly to local applicants by the Commission shall be for a term of not more than one year.
- (c) Planning grants shall be for a term of not more than one year.

$\S 2501.12$ Federal share.

- (a) The Federal share of an operating grant for a project under this part may not exceed:
- (1) 90 percent of the total cost of a project for the first year for which the project receives assistance under this part:
- (2) 80 percent of the total cost of a project for the second year for which the project receives assistance under this part; and
- (3) 70 percent of the total cost of a project for the third year for which the project receives assistance under this part.
- (b) The non-Federal share of the costs of the project may be in cash from public or private non-Federal funds or in kind.
- (c) If a grantee is unable to pay the non-Federal share of the costs of the project due to lack of resources, the grantee may request a waiver of the requirements of paragraph (a) of this section. A request for a waiver must be in writing to the Commission and will be approved if the Commission determines that such a waiver would be equitable due to a lack of resources at the State or local level.

§2501.13 Reservation of funds.

- A State receiving a Serve-America grant other than a planning grant shall use:
- (a) Not more than 5 percent of such funds for administrative costs for any fiscal year;
- (b) Not more than 10 percent of such funds to build capacity through training, technical assistance, curriculum development, and coordination activities, described in §2501.9(a) of this part:
- (c) Not less than 60 percent of such funds to carry out school-based service learning programs described in §2501.9(b) of this part;
- (d) Not less than 15 percent of such funds to carry out community-based service programs described in §2501.9(c) of this part; and
- (e) Not more than 10 percent of such funds to carry out adult volunteer and partnership programs described in §2501.9(d) of this part.

§2501.14 Authorized uses of funds.

- (a) Grants made under this part may be used for the supervision of participating students, including teacher stipends, program administration, training, reasonable transportation costs, insurance, evaluations, and for other reasonable expenses.
- (b) Grants made available under this part may not be used to pay any stipend, allowance, or other financial support to any participant, except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this part.

§2501.15 Participation of children and teachers from private schools.

To the extent consistent with the number of children in the State or in the school district of a local educational agency receiving funds under this part who are enrolled in private nonprofit elementary and secondary schools, such State or agency shall (after consultation with appropriate private school representatives) make provision:

(a) For the inclusion of services and arrangements for the benefit of such children so as to assure the equitable participation of such children in the programs or projects implemented to